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March 22, 2011

## **VIA ECF AND OVERNIGHT MAIL**

The Honorable Allan L. Gropper  
United States Bankruptcy Court  
Southern District of New York  
Alexander Hamilton Custom House  
One Bowling Green, Courtroom # 617  
New York, NY 10004-1408

**Re:   Kenneth Ira Starr**  
**Case No.: 11-10219 (ALG)**

Dear Judge Gropper:

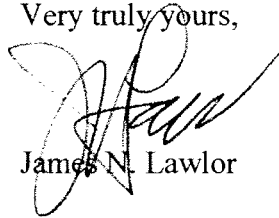
As Your Honor may recall, we are counsel to Petitioning Creditors, Estate of Joan A. Stanton and JAS Ventures, L.P. (the "Petitioners"). We wish to bring to Your Honor's attention that the day following the Court's entry of its March 2, 2011 Order [Docket No. 11], the putative debtor, Mr. Kenneth Ira Starr, was sentenced in the federal district court to a term of incarceration of 90 months and ordered to pay restitution in the amount of \$29 million to the nine victims of the counts to which he plead guilty. We have attempted to serve Mr. Starr with the Order at the last known addresses by regular and certified mail. We received two signed certified mail receipts, but neither were signed by Mr. Starr. The regular mail letters were not returned. As we have no way of knowing whether the Order reached him, we have also recently provided a copy to his last counsel of record in the criminal proceedings, Flora Edwards, Esq.

We also wish to note to the Court that in paragraphs 3, 4 and 5 of the Opposition to Putative Debtor's Motion for Enlargement of Time to Answer Petition [Docket No. 10] we filed on February 24, 2011, the petitioners expressed concern that apparently on-going out-of-court restructuring efforts involving Mr. Starr's assets may impair the ability of creditors, such as the Petitioners, to recover on their claims. As the Court has since recognized, the Objection was intended to convey the urgent need to consider whether Mr. Starr should be made a debtor at this time, as grounds to oppose his then-current request for a 60-day extension to answer the petition. It was not intended to assert that the actions or proposed actions by counsel or others were themselves improper. We recognize that outside the bankruptcy context, parties may act in accordance with non-bankruptcy law absent a court order to the contrary.

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Should Your Honor have any questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "James N. Lawlor", written over the typed name.

James N. Lawlor

JNL/gp

cc: Kenneth Ira Starr